



DEPARTMENT OF THE ARMY
WASHINGTON DC 20310

19 OCT 2005

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Army Military to Civilian Conversion and Divestiture Program

1. **BACKGROUND.** Conversion of Institutional Army military billets to civilian positions provides critical manpower and frees up existing military personnel for manning the Army's modular forces. This also helps reduce stress on our operating forces by improving our utilization of military manpower and the Army's overall manpower mix.

2. **PURPOSE.** To describe and codify the process for an annual review of military billets in the Institutional Army. This memorandum defines roles and responsibilities. The process will: 1) identify potential positions for conversion or divestiture; 2) obtain MACOM and functional proponent recommendations; 3) resolve conflicts; 4) prioritize conversions; and 5) track program execution.

3. **GOAL.** To relieve stress on the operational force by reducing the military footprint in the Institutional Army. This will be accomplished by reviewing all military billets to identify a pool of military positions currently in the Institutional Army which can be identified and returned to the operating force. To achieve this goal, the combination of military to civilian conversions and divestitures must total approximately 30K. For your information and planning purposes only, be advised that we expect a reduction in authorized active duty end strength from 502.4K to 482.4K with an operating force strength of 355K by FY11.

4. **PROCESS.** Military positions with potential for conversion or divestiture will be identified during a thorough review and analysis of the Institutional Army by function and activity. The evaluation of each position's military essentiality will use the DoD Manpower Mix Criteria and HQDA Guidance. A conversion is defined as the process of replacing military personnel performing non-military essential functions with civilian government or contractor employees. (Contractors may not perform personal services or inherently governmental functions and may not replace positions that involve supervision of military personnel or government civilian employees.) Backfill ratio will be based on business process reviews. During this process, functions that the Army could divest, as well as opportunities for shared services, should be identified. Additionally, missions and functions with potential for privatization, i.e. where the function is completely turned over to Army funded private sector performance with no government employee or military staff, should be identified.

a. Career field management, surge capability, and sustaining and training requirements will be considered during the review and analysis. Military essentiality will

SUBJECT: Army Military to Civilian Conversion and Divestiture Program

be determined based on the manpower mix criteria, e.g., does the function require military unique knowledge and skills, is military performance required by law (e.g. Uniform Code of Military Justice, law of war, etc.), military esprit de corps, career field management, and sustaining and training requirements.

b. Final approved conversions will be documented through the Command Plan process and Total Army Analysis (TAA). The initial evaluation will be completed in time for the Program Objective Memorandum (POM) 08-13.

c. Process reviews using Lean and Six Sigma and other appropriate business reengineering techniques will be used to identify ways and means to operate more efficiently and effectively. These continuing efforts will identify military and civilian positions, as well as contractor resources, which can be either eliminated or utilized elsewhere in the Army.

d. As an initial step, the United States Army Manpower Analysis Agency (USAMAA) will conduct manpower and organizational studies of organizations with high military to civilian conversion and re-engineering potential. Their analysis will incorporate application of Lean and Six Sigma, modeling and implementation of standard organizational designs. Their study schedule will be TRADOC in FY06, MEDCOM in FY07 and IMA in FY08.

e. Military TDA strength will be reduced and capped by Major Command based on numbers of military positions moved out of the TDA to ensure that these military spaces are returned to the operating forces. Any waiver of this cap must be approved at HQDA.

f. Data collected from the Contractor Manpower Reporting Initiative will be used to identify service contracts that can be discontinued or reduced in scope. Service contracts will be documented in The Army Authorization Documentation System (TAADS). Compliance with these validation and reporting requirements will determine future funding for contracts.

5. RESPONSIBILITIES.

a. **ASA (M&RA):** Army lead for the military to civilian conversion program. Reports relating to military-civilian conversion program prepared by HQDA staff will be coordinated with ASA (M&RA).

b. **G-1:** Review positions proposed for conversion or divestiture for impact on rotation base, career progression, and readiness. Cost and track civilian backfills/execution once determination is made to allocate a civilian position.

c. **G-3/5/7:** Supervise the application of military essentiality coding to military billets. Prioritize the Institutional Army positions and examine the operating forces for risk. Track the movement of spaces from the Institutional Army to the operating forces. Lead

SUBJECT: Army Military to Civilian Conversion and Divestiture Program

coordination with MACOMs and functional proponents in command plan and Total Army Analysis process.

d. G-8: After process reviews are complete and a business case is made for a civilian position, develop, program and identify offsets (savings) to fully fund civilian backfills in coordination with ASA (M&RA), ASA(FM&C), G1, G3 and MACOMs.

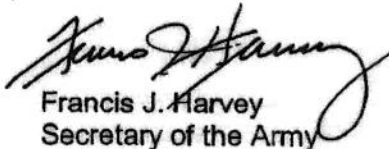
e. ASA (FM&C): Incorporate fully funded civilian positions into the budget submission.

f. MACOMs: Conduct process reviews and business case analysis to justify civilian replacements for military positions realigned to the operating force. Work with HQDA to identify and assess the impact of conversions and divestitures on their mission and capabilities. MACOMs will pro-actively support on-going initiatives to account for and document total requirements (including contractor). Document HQDA decisions and manage within their TDA military caps.

6. DURATION/SCHEDULE. There will be quarterly program reviews.

7. This policy will remain in place until superseded.


Peter J. Schoomaker
General, United States Army
Chief of Staff


Francis J. Harvey
Secretary of the Army

DISTRIBUTION:

HQDA Principals

Commander, US Army Forces Command

Commander, US Army Training & Doctrine Command

Commander, US Army Materiel Command

Commander, US Army Europe & Seventh Army

Commander, Eighth US Army

Commander, US Army Corps of Engineers

Commander, US Army Special Operations Command

Commander, US Army Pacific

Commander, Military Surface Deployment & Distribution Command

Commander, US Army Criminal Investigation Command

Commander, US Army Medical Command/The Surgeon General

Commander, US Army Installation Management Activity

Commander, US Army Intelligence and Security Command

Commander, US Army Military District of Washington

Commander, US Army Space and Missile Defense Command

(CONT)

SUBJECT: Army Military to Civilian Conversion and Divestiture Program

DISTRIBUTION (CONT):

Commander, Network, Enterprise, Technology Command

Commander, Human Resources Command

Commander, US Army Test and Evaluation Command

Superintendent, US Military Academy